

Exhibit J #03

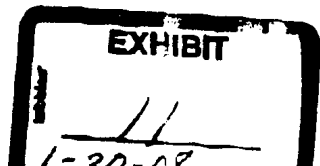
The First Settlement Agreement of
October 17, 2007
(Stefani Deposition Exhibit 11)

SETTLEMENT AGREEMENT

Plaintiffs' counsel, Stefani & Stefani, Professional Corporation, Mayor Kwame Kilpatrick ("Mayor") and the City of Detroit ("City") enter into this Agreement effective October 17, 2007.

In consideration of the mutual promises contained herein, the parties agree as follows:

1. Stefani & Stefani, on behalf of its clients, employees, its shareholders and investigators ("S&S") agree to transfer ownership of and surrender to an attorney designated by the Mayor and the City all records, originals and copies, of text messages from Skytel Messaging for the text pager leased by the City of Detroit and issued to Christine Beatty for the periods of September through October 2002 and April through May 2003 ("Records").
2. S&S further agrees not to file the supplemental brief for attorney fees' and costs containing the excerpted quotations from the Records and to destroy all copies of said brief and to delete from its computers all drafts of the brief and the final brief.
3. S&S agrees to require each of its employees to enter into an agreement to refrain from disclosing to any person or entity the existence or content of such Records or such supplemental brief or any other matter related to the circumstances concerning those Records or the resolution of the cases which are the subject of this Agreement. In the event that any employee of S&S violates this provision, S&S shall be responsible for liquidated damages to the City in the amount of \$2,666,666.00 and such employee shall in turn be liable for liquidated damages in the same amount to S&S.
 - a. S&S further agrees to require Gary Brown and Harold Nelthrope and Walter Harris to enter into a confidentiality agreement not to disclose the terms of this settlement to any person or entity and to agree to refer all inquiries concerning the terms of this settlement



to S&S which will simply advise such persons or entities that the Plaintiffs agreed to accept an amount substantially less than the full amount they were entitled to in order to avoid the uncertainty of a trial or an appeal.

b. Brown shall enter into an agreement with respect to the Records and information contained therein similar to the agreement entered into by S&S employees, but specifying liquidated damages of \$3 million payable to the City.

c. Nelthrope shall enter into an agreement with respect to the Records and information contained therein similar to the agreement entered into by S&S employees, but specifying liquidated damages of \$2 million payable to the City.

d. Harris shall enter into an agreement with respect to the Records and information contained therein similar to the agreement entered into by S&S employees, but specifying liquidated damages of \$400,000.00 payable to the City.

e. S&S will agree to surrender to counsel designated by the Mayor all of the documents obtained by them concerning the purchase of Christine Beatty's home and the financing thereof through Fifth Third Bank and the refinancing of the previous home in which she resided with Mr. Lou Beatty.

4. The City and the Mayor agree to settle and resolve through orders of dismissal, satisfaction of judgment, releases, or settlement agreement the following two matters:

Brown and Nelthrope v. Mayor Kwame Kilpatrick and the City of Detroit
Case No. 03-317557-NZ

Walter Harris v. Mayor Kwame Kilpatrick and the City of Detroit, et al.
Case No. 03-337670-NZ

5. The City of Detroit and the Mayor agree to pay the sum of \$8,000,000.00 in full and complete satisfaction of Case No. 03-317557-NZ.

6. The City of Detroit and Mayor Kilpatrick agree to pay the sum of \$400,000.00 inclusive of interest, attorney fees and expenses in full and complete satisfaction of Case No. 03-337670-NZ.

7. All parties and their counsel and Christine Beatty agree to enter into mutual releases for all claims arising out of or in any way related to the matters being settled by this Agreement except as to a violation of this Agreement.

8. As a condition precedent to this Agreement becoming operative, the monetary terms of this settlement must be approved by Gary Brown, Harold Nelthrope and Walter Harris. Mayor Kwame Kilpatrick and the City Council of the City of Detroit. Brown and Nelthrope shall have twenty-four (24) hours to approve this Agreement in writing, Walter Harris shall have ten (10) days to approve this Agreement in writing and the City shall have ten (10) days to obtain the approval of the Mayor in writing. The City shall have forty-five (45) days from the date hereof to obtain the approval of City Council and to notify S&S of such approval in writing. In addition, the City and the Mayor shall have twenty-one (21) days after approval by the City Council to deliver the settlement checks to S&S. In the event of a failure by any party to meet the time deadlines set forth in this paragraph 8, this Agreement shall be null and void.

Mayor Kwame Kilpatrick

By: 

And: 

City of Detroit

By: 

And: 

(Signatures continued on next page)

Stefani & Stefani, Professional Corporation,
Attorneys for Gary Brown, Harold Nelthrope
and Walter Harris

By: 

And: 